

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6691

BILL NUMBER: HB 1219

NOTE PREPARED: Jan 28, 2008

BILL AMENDED: Jan 24, 2008

SUBJECT: Unemployment Insurance.

FIRST AUTHOR: Rep. Tyler

FIRST SPONSOR:

BILL STATUS: 2nd Reading - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Plant Closings*: This bill excludes from remuneration of services, for the purpose of determining income that is deductible from unemployment insurance benefits, compensation made by a valid negotiated contract or agreement in connection with a layoff or plant closure, without regard to how the compensation is characterized by the contract or agreement.

The bill specifies that a person who: (1) accepts an early retirement offer or other compensation offered by an employer to avert or lessen the effect of a layoff or plant closure; and (2) otherwise meets the eligibility requirements; is entitled to receive unemployment insurance benefits in the same amounts, under the same terms, and subject to the same conditions as any other unemployed person.

Special Employment and Training Services Fund: The bill provides for payment to certain state educational institutions for specific training programs from the Special Employment and Training Services Fund.

Effective Date: July 1, 2008.

Explanation of State Expenditures: *Plant Closings*: The impact on the state would be as an employer and would depend on the number of layoffs or facility closings. The impact would probably be minor.

[The Unemployment Insurance Benefit Fund paid \$736.8 M in benefits in FY 2007, and the state as an employer paid \$5.9 M.]

(Revised) *Special Employment and Training Services Fund*: The bill provides \$1 M to Ivy Tech Community College and \$4 M to Vincennes University to contract with apprenticeship technology degree providers to

offer programs. It also provides \$250,000 to both Ivy Tech Community College and Vincennes University for journeyman upgrade training. The fund had revenue of \$7.8 M for FY 2007.

Explanation of State Revenues:

Explanation of Local Expenditures: *Plant Closings:* The impact on local units would be as an employer. The impact would probably be minor.

Explanation of Local Revenues:

State Agencies Affected: All, Ivy Tech Community College, Vincennes University.

Local Agencies Affected: All.

Information Sources: Auditor's data.

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